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C O N F I D E N T I A L SECTION 01 OF 03 VILNIUS 000655

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STATE FOR EUR/NB

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TAGS: [PREL](#) [PGOV](#) [EPET](#) [ELTN](#) [RS](#) [LH](#)

SUBJECT: (C) LITHUANIAN-RUSSIAN RELATIONS BOUNCE BACK, BUT  
POTENTIAL FOR TENSION REMAINS

REF: A. VILNIUS 174

[B](#). VILNIUS 219

[C](#). VILNIUS 231

[D](#). VILNIUS 326

[E](#). 04 VILNIUS 382

Classified By: POL/ECON OFFICER GREGORY L. BERNSTEEN FOR REASONS 1.4(B)  
AND (D).

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Summary  
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[1](#). (C) Lithuania's complicated relations with Russia -- after five months of emotional tensions -- are improving again. The May visit of Russian FM Lavrov -- featuring his second meeting with Lithuanian Foreign Minister Valionis in a month -- produced a lengthy declaration promising enhanced cooperation on border, consular, and customs issues and better neighborly relations, a long-delayed agreement on ports and transit issues, and a Lithuanian agreement to not press compensation claims on Russia. The ministers also agreed to launch negotiations on energy agreements to assure unfettered transit through Russia and Lithuania for oil, gas, and electricity. Potential irritants continue to loom, however: Valionis on June 15 threatened to crack down on what he called a Russian-sponsored anti-Lithuania propaganda campaign, even as parliamentary opposition continued to press loudly for compensation for the Soviet occupation. END SUMMARY.

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New Year, New Disputes  
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[2](#). (U) Lithuanian-Russian relations took a turn for the worse in the first five months of 2005. Perceived Russian pressure to participate in World War II commemorative ceremonies in Moscow on May 9, new attention to former KGB recruits in the current Lithuanian leadership, and crude insults and threats from Russia's resident Ambassador all contributed to a newly ugly atmosphere in the relationship as the year wore on. And the pressures kept coming: Lithuania's parliamentary chief publicly threatened new expulsions of diplomats for alleged espionage in the Lithuanian parliament; the government closed a Russian language post-secondary academy for non-compliance with local regulations; and local press charged the government's Economic Minister -- ethnic Russian Victor Uspaskich -- with gross conflicts of interest in pursuing Russian commercial contracts for his former businesses.

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Lavrov's Mission to Vilnius  
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[3](#). (U) These heated incidents prompted Lithuanian Foreign Minister Valionis to visit Moscow April 8 to calm the waters, and that visit resulted in an agreement for Russian Foreign Minister Lavrov to return to Lithuania for a special session of the Lithuanian-Russian inter-governmental commission in May. Lavrov and Russian Transportation Minister Igor Levitin traveled to Vilnius May 26 for the meeting, which made progress in focusing the bilateral relationship on more constructive issues. Arunas Vinciunas, Head of the MFA's Russia Division, told us the meeting produced final agreement on the so-called "2K" plan to equalize access to and infrastructure at the ports of Klaipeda and Kaliningrad. Previously, Russia had charged higher tariffs on goods headed to Klaipeda for export than those headed to Kaliningrad.

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Statement of Political Good Will  
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[4](#). (U) The Foreign Ministers issued a joint statement at the conclusion of Lavrov's visit, pledging to enhance bilateral cooperation and to develop neighborly relations. Vinciunas characterized the statement as "three pages of positive political intentions" that will encourage cooperation between working-level officials in both countries. The statement laid out the governments' satisfaction with the passenger transit mechanism (a target for frequent Russian griping since its implementation two years previously) and their

agreement to address related consular issues. It also sets forth their interest in improving cooperation on phytosanitary issues concerning veterinary cargo, insurance requirements, and border-crossing procedures, among other matters. Vincius said that ministers did not discuss military issues.

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Russia's Perspective  
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15. (C) Russia's DCM in Vilnius, Dmitry Tsvetkov, told us that current relations between Russia and Lithuania are basically good, and had not particularly suffered as a result of President Adamkus's decision not to attend Moscow's May 9 commemoration. Noting that regular Lithuanian demands that Russia make amends for the Soviet occupation of Lithuania were unhelpful, Tsvetkov welcomed what he said was Valionis's commitment to Lavrov that the GOL would refrain from publicly pressing the point. Political Counselor Valery Pospelov contemptuously dismissed the Baltic nations' concerns entirely: "It's ridiculous propaganda," he said. "We were one country." On the related matter of Lithuanian claims to compensation for damages stemming from the Soviet era, Tsvetkov was again dismissive. Lithuanians were free to

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claim compensation, he said, only if they had been residents of Russia (other than as political prisoners or deportees) during Soviet times.

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Road Ahead: Negotiations on Travel Documents, Energy  
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16. (C) Despite the statement's satisfaction with the implementation of procedures governing Russian transit through Lithuania to and from Kaliningrad, Russian diplomats here signaled an intention to pursue changes to the system. In the current system, Russians who want to transit Lithuania between the two territories must procure a "facilitated travel document" (FTD), issued after Lithuanian security checks, from the point of embarkation. Pospelov maintained that Lithuania's accession to the Schengen zone would require a new system featuring Schengen visas for transiting Russians. (Note: Lithuanian foreign ministry officials said that, although they had not reached a final conclusion, they did not foresee any problems with continuing the use of the current FTD system after Schengen accession. End note.)

17. (C) Pospelov also said that Lavrov discussed energy with his Lithuanian interlocutors and noted that Russia and the GOL will begin to negotiate new bilateral agreements regarding cooperation on gas, oil, and electricity. Vincius, head of MFA's Russia Desk, said that the agreements would guarantee free transit of energy through Russia and Lithuania. Currently, Lithuania's ability to use Russian pipelines to import oil and gas is subject to the whims of state-owned Russian companies. Lithuania supports the idea, since it would remove one of Russia's economic weapons, allowing Lithuania to purchase oil and gas from producers in Central Asia and the Caucasus and ship them through pipelines located in Russia or owned by Russian companies. For Russia, the agreements' main benefit would be freer access to supply energy to Kaliningrad. Vincius was pessimistic that the negotiations would be successful, because he believes that Russia is reluctant to relinquish oil as a source of leverage over Lithuania.

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Irritants Remain  
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18. (C) Lavrov's visit for now changed the tone of Lithuanian-Russian relations for the better, but emotional irritants continue to crop up outside, and even sometimes within, inter-governmental channels. On June 14, the anniversary of the launch of Soviet deportations of Lithuanians in 1941, the parliamentary opposition introduced a resolution criticizing Russia's refusal to recognize the occupation of the Baltics and demanding approximately 80 billion Litas (over USD 20 billion) for reparations from Russia for occupation damages. Conservative MP Rasa Jukneviene called Putin's May 9 celebrations a "Machiavellian show," and claimed that the Russians are still spreading propaganda about the Baltics. PM Brazauskas, on behalf of the center-left coalition that he heads, responded that Lithuania would achieve more through negotiations than through unilateral resolutions. Meanwhile, on June 15, Foreign Minister Valionis bitterly criticized broadcasting from a Russian-financed television station in Lithuania for what he called provocative anti-Lithuanian propaganda, and threatened action to silence the station.

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Comment  
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19. (C) The GOL may have promised to play nice with Russia, but politicians, having made no such promise, will likely continue to spotlight past Soviet abuses and to question Russian intentions -- as much for EU and foreign observers as Lithuanian. It is unlikely, however, that either Lithuania or Russia will let the rhetoric get in the way of business. The neighbors' critical, intertwined economic and political interests, including Lithuania's oil supply and Russia's access to Kaliningrad, compel them to work together, despite their mutual aversion.

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